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LOCAL GOVERNMENT ISSUES IN FOCUS

Outdated Municipal Structures

Cities, Towns and Villages – 18th Century Designations for 21st Century Communities

An examination of how traditional classifications no longer fit many of today's local governments, and a discussion of policy implications

"Starting from scratch, no one would design the system of local government operating in New York State today."

"A municipal structure designed for another century has many disadvantages for the State and its component local governments."

- The terms city, town and village each bring an image to mind, but these images no longer hold true in many places. In New York, a locality's municipal designation—which has many implications for governance, service provision and intergovernmental aid—has everything to do with history and little to do with current realities.
- The vast majority of our cities, towns and villages were established prior to 1920. Overwhelming changes have occurred in the built environment, demographics and economy since that time, but there has been no corresponding adjustment in the underlying municipal structure or boundaries.
- Historically, cities were more populous than towns and villages, but today there are many more big towns than big cities. Ten "mega-towns" have populations greater than 100,000, whereas among cities, only the "Big Five" are that populous. Four of these mega-towns exceed the population of Buffalo—making them the largest municipalities outside of New York City. Most of the State's cities (35 out of 62) have populations under 25,000, whereas 60 towns and six villages have populations exceeding that level.
- This study uses a statistical technique known as cluster analysis to sort cities, towns and villages into new groups—providing a hypothetical regrouping of local governments as an illustrative alternative to municipal class. This analysis shows how a municipal "class distinction" arrived at a century or more ago does not correspond with current conditions in many municipalities. Thus, the multitude of State laws and programs which treat localities differently based on municipal class may be doing so somewhat arbitrarily at this point in time.
- This analysis points to a number of issues ripe for reconsideration, including governance provisions applying to classes of municipalities, the provision of county services, the application of tax limits, the operation of special districts for town services, and more.

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Overview

What does it mean to live in a city, town or village in New York State? While each term brings a particular image to mind, these images no longer hold true for many localities. The legal designation of a municipality as a city, town or village—which has many implications for governance, service provision and intergovernmental aid—has everything to do with history and very little to do with a locality's current situation.

This study presents an analysis of our municipalities—cities, towns and villages—including a statistical regrouping that suggests what a modern classification system might look like if we started from scratch today, based on current conditions. What emerges is an intuitively satisfying reassignment of our cities, towns and villages into groups far more homogenous than the current legal designations. Big cities and immense urban towns group together, as do the smaller cities, larger villages and other urban towns. Suburban and rural areas emerge naturally.

This analysis provides an illustration that suggests it may be time to refocus attention on the basic structure of local government, including State laws covering service provision, governance, revenue structure, intergovernmental aid, and the provisions under which municipalities may merge, dissolve or annex territory. A number of studies have already described problems and potential improvements in these areas (many of which are cited in this report). With today's heightened focus on local government efficiency, it makes sense to take another look at some of these basic issues.

History versus Current Reality

New York's local government structure has evolved over four centuries, but the vast majority of our cities, towns and villages were established, and most boundaries were set, before 1920. The subdivision of the State into counties, the counties into towns, and the chartering of many cities occurred much earlier. In the modern era, annexations or mergers of municipalities almost never occur in New York State. Other than the creation and dissolution of a relatively small number of villages, there has been virtually no change in our municipal structure since the early years of the last century.

This static municipal structure stands in stark contrast with the overwhelming changes in our built environment, demographics and economy that have occurred since the lines were drawn and designations of city, town or village were made. In addition to geographic designations, the constitutional and statutory provisions that set the operational rules for these three classes of municipalities were also put in place long ago, at least in most significant respects. Thus, the building blocks of our local government structure are based on extremely outdated premises and demographic patterns.

Prior to World War II, cities were almost exclusively the centers of population, industry and commerce. Towns were smaller and more sparsely settled, sometimes with a more densely populated center, which was later incorporated as a village to provide basic municipal services. Although these conditions no longer apply, most of the "rules" were set during that earlier period.

Historically, cities were bigger than other municipalities, but today's reality is that in many areas more people live outside of cities than within them. Since 1950, cities in New York State have lost

24 percent of their population, while in stark contrast, town populations have increased by 121 percent.[1] Far from being the exclusive centers of population and wealth, cities have in fact declined dramatically relative to surrounding communities. In part this has occurred because in New York (and other northeastern states), provisions of State law generally work against cities expanding geographically through annexation, and urban expansion consequently occurs in surrounding localities, not the central city. In 1950, the populations of Buffalo, Rochester and Syracuse were roughly twice the size of the population of their counties outside each city. Today that relationship is reversed.

Today, in fact, there are many more big towns in New York than there are big cities. Ten towns exceed 100,000 in population, whereas among cities, only the "Big Five" are this populous. Four of these "mega-towns" exceed the population of Buffalo—making them the largest municipalities outside of New York City (not the remaining "Big Four" cities, as we may be used to thinking). As we move the scale lower, towns continue to lead. For example, only 12 cities today have a population greater than 50,000, whereas 21 towns exceed this level. And while most of the State's cities (35 out of 62) have populations under 25,000, there are 60 towns and six villages with larger populations. In fact, there are more towns exceeding the median city population than there are cities in total. Clearly, and by many measures, cities are no longer the largest municipalities.

Despite this quantum shift in circumstances, most of our statutes and constitutional provisions continue to treat cities differently based upon the very outdated premise that they are larger and wealthier. Or, looked at from another angle, very little has been done to adjust the approach we take toward other municipalities—towns and villages—many of which may be more like cities than their historical municipal designations imply.

Consider just some of the simple differences in treatment. Although city residents pay county property taxes, many county services are not provided within city borders. While this approach may have made sense when the towns outside the cities had far fewer resources, it

Villages

All State residents live in either a city or a town, as their boundaries do not overlap. Villages, in contrast, are located within towns, and their residents pay taxes to both the village and town. Historically, villages tend to be formed from the more densely populated section of a town—the area where additional services were likely to be needed. In essence, villages were a smaller version of a city, providing services not available in a town, such as water, sewer, police and fire protection. However, suburbanization led to changes in law that allowed such services to be provided without the creation of a village (often through "special districts"). Today, police, water, sewer, sanitation and fire protection services are provided routinely throughout towns, and the incorporation of a village is no longer necessary for these purposes. The impetus for most recent village incorporations has not been the need for new services, but the desire of disaffected residents of a particular area to take control of land use regulation and other services from a town board.

While we often think of villages as small, the 554 villages of New York State are quite diverse, ranging in size from less than 50 residents (e.g., Dering Harbor, West Hampton Dunes and Saltaire) to Hempstead, with its 57,000 residents and budget of approximately $64 million. In fact, there were 73 villages below 500 in population as of the 2000 Census, and these areas would not even qualify for incorporation as a village under current law. Nine villages are located in more than one county, and 65 in more than one town.

is questionable given today's realities. Other inner-ring communities, including towns and villages with their own police forces, also receive different levels of county services.

Revenue sharing and many other varieties of aid to local governments are differentiated based on municipal class. To a large extent, this has been helpful to city governments, which often receive greater aid, and are generally facing greater needs than an "average" town or village. But as the analysis which follows demonstrates, many towns and villages are city-like localities, with large populations, high density and many other urban characteristics. Why should such communities receive lower levels of aid?

Cities, towns and villages also have very different governance and revenue structures, many aspects of which are directly prescribed or otherwise governed by State law, and virtually all of which were designed for a different, long-past era. For example, tax and debt limits apply very differently depending on municipal class, with tax limits not applying to towns at all.

A Structure No One Would Design Today

New York, like other northeastern states, tends to have a more complex local government structure. Currently, there are 1,605 general purpose local governments, including 932 towns, 554 villages, 62 cities and 57 counties.[2] Both the absolute number and ratio of local governments to population is high in comparison to national averages, and even higher when the comparison is made without New York City (a single government containing over 40 percent of the State's population).

Our municipal structure is not only highly complex, it no longer provides a rational differentiation based on population densities and settlement patterns, as it did when the classifications were originally made. The vast majority of cities and villages and towns were formed during the 1800s, and there have been almost no changes since the 1920s (the end of the progressive era, when municipal improvements were a particular focus). The number of municipalities within each class has remained virtually constant since that time, with the exception of an occasional village formation or dissolution.

Only three cities have been created since 1920, the last being the City of Rye incorporation in 1942. The number of towns today (932) is unchanged since 1900, although there have been changes within this total.[3] Villages are today the only type of municipality that can be incorporated or dissolved solely by local action,[4] and thus are the only class that has shown change in the modern era (since 1920, 125 villages have been created and 37 have dissolved).

Because of the great changes that have taken place, it is highly doubtful that—if New York State was to start from scratch—anything even close to our current municipal structure would emerge. Population changes alone since 1920 would be ample justification for restructuring. In an earlier era, this growth would have resulted in additional incorporated areas, usually as an extension of original cities (as had been the traditional pattern).

Much of the research on urban problems since the 1960s has focused on this basic pattern of development occurring further out beyond city borders, leaving a dwindling central city population, with fewer middle-income households and large concentrations of poverty. More recently, this dynamic has spread to urban areas which are not cities—with these localities often referred to as inner-ring communities or first suburbs. The analysis which follows helps to identify a number of non-city governments which nevertheless share many urban characteristics, and may be experiencing similar problems. In contrast,

there are a number of villages, and even cities, that are more suburban or rural in character than their municipal status would indicate.

Despite the multitude of differences under State law for cities, towns and villages, the functions and services provided by these different classes of local governments have been converging for some time. While being distinct in form, cities, towns and villages are increasingly indistinct in function. This convergence in services performed, in combination with an absence of justification for the historic boundaries and classifications, has resulted in a local government structure that is in many ways lacking a rational explanation. A structure, in short, that no one would design today.

School District Consolidation – A Success Story from the Last Century

One of the relative successes in restructuring local government was a dramatic reduction in the number of school districts during the last century. This trend occurred in New York and many other states; it was in some respects a correction to the historical model (in which many districts were created on a scale to accommodate walking to school). In New York, the number of school districts declined from over 10,000 to approximately 700. However, virtually all of that change occurred before 1970, and State aid incentives played a major role. New York State still has a relatively large number of school districts in comparison to other states, many of which organize schools at the county level or have coterminous towns and school districts. In New York, the fact that school districts cross municipal and even county borders adds a significant degree of complexity to the local government structure.

Modern Day Municipal Clusters—An Illustrative Regrouping

New York's local governments are usually analyzed by municipal class—that is, cities, towns and villages are looked at separately. Generally, we also compare individual municipalities to their class (e.g., high costs for a city, low taxes for a town). This tendency is long standing and rooted in a number of practical considerations, including chiefly that the State treats these entities differently. Towns, cities and villages also generally have differing fiscal years (fiscal years also differ within some classes). The Office of the State Comptroller, for example, reports financial results by class, as do other agencies and most academic studies. Nevertheless, it is the thesis of this analysis that this traditional classification misplaces many municipalities.

To gain a better understanding of how outdated our classification system is, this study uses a statistical research technique known as cluster analysis to sort municipalities into groups. The basic question we are trying to answer here is—how would we organize or group local governments if we didn't have the existing labels (i.e., municipal class)? The hypothesis was that a municipal "class distinction" arrived at a century or more ago does not, in many cases, provide a good indication of current conditions.

Cluster analysis is a statistical technique that groups "cases" into clusters that have similar characteristics, based upon a particular set of data, chosen by the researcher. Based on the data elements for each case, the technique produces homogenous clusters, each one of which is significantly dissimilar to the others.[5] In this study, the "cases" are municipalities: cities, towns and villages.

The analysis was undertaken with the presumption that there are many urban areas, some of which are classified as cities, and some of which are not. We expected to find similarities between small cities

and many large villages, and that some villages are more "suburban" in character, like many towns. We also expected that an upstate/downstate separation could emerge, because regional population trends, incomes and property values are so dissimilar.

Our analysis shows that, while there are similarities among many local governments within a class, there are also many differences, and the municipal classification of a community is far from being a good overall descriptor of its characteristics. This analysis therefore implies that the many State programs and rules which treat these localities very differently based on their historical municipal classification may be doing so somewhat arbitrarily at this point in time.

The clusters were formed based on 13 data elements (variables), covering structural, demographic and financial attributes. These variables were chosen because they are typically understood to be characteristics of municipalities of differing types.[6] A series of "structural" variables describe the size, geography and infrastructure characteristics of the municipality, such as population, land area, population density and the percentage of housing constructed prior to 1950. Demographic variables focus on the characteristics of the population, and include median family income, median house value, percentage foreign-born, poverty rate and average travel time to work. The financial characteristics include total local government expenditures, and public safety and transportation as a percentage of expenditures (providing an indication of the service mix). The property tax rate was also used to provide an indication of the local costs for municipal services.

The clustering approach used was an "exploratory" analysis, which means that we did not specify the number and/or type of clusters that exist; the statistical technique itself determined this, as well as which localities belonged in each.[7] Localities missing data or with populations under 1,000 were excluded, as cluster analysis can be thrown off by anomalous statistics (which are often produced when measurements are made of smaller communities). New York City was also excluded.

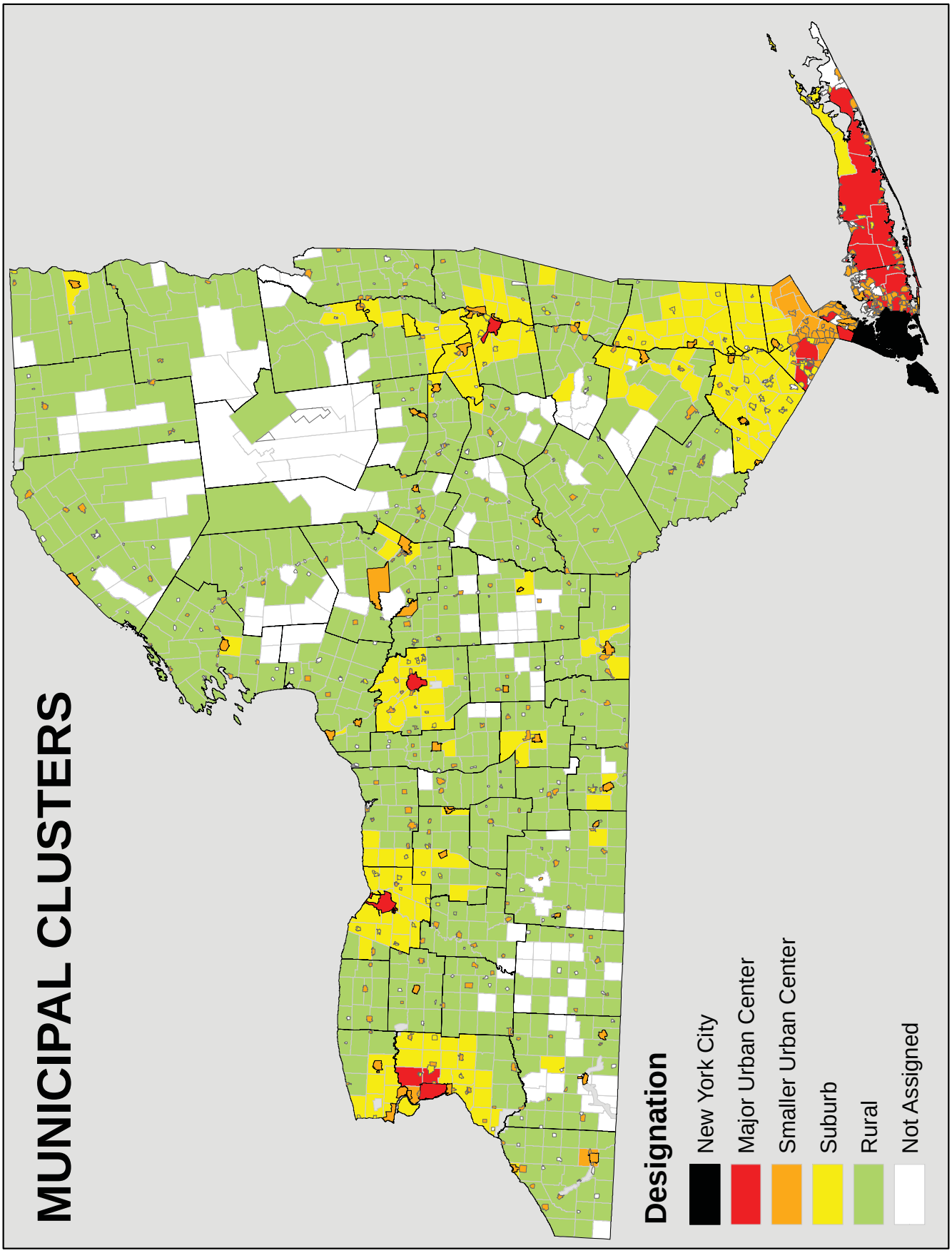
From this analysis, five major clusters emerged, which are listed in the table below and described in the sections following. The clusters have been given names based on our interpretations of their characteristics: major urban centers; smaller urban centers—upstate and downstate; suburbs; and rural. The sections following describe each group and list the localities belonging to each; a color-coded map of the clusters is provided on page 8. A map showing the current municipal designations is provided at the end of this report.

Cluster Analysis Results: An Illustrative Reclassification

	Major Urban Centers	Smaller Urban Centers (Upstate)	Smaller Urban Centers (Downstate)	Suburbs	Rural	Total/Mean (included in analysis)
Number of Municipalities	19	240	107	246	616	1228
City	6	46	6	3	0	61
Village	0	192	87	71	6	356
Town	13	2	14	172	610	811
Structural						
Population	211,942	7,038	13,484	12,329	3,728	10,169
Land Area (Sq. Mi.)	69.2	3.1	4.7	26.4	50.8	32.9
Population Density	3,998	2,237	5,310	940	98	1,199
Housing Built Prior to 1950	33.1%	63.0%	41.9%	28.6%	40.3%	42.4%
Demographic						
Median Family Income (1999)	$65,384	$42,445	$101,152	$64,361	$43,974	$53,072
Median House Value (1999)	$192,679	$73,348	$404,238	$135,290	$76,340	$117,935
Foreign-born	13.5%	3.2%	19.1%	5.5%	2.2%	4.7%
Poverty	11.0%	13.9%	5.5%	5.5%	11.0%	10.0%
Work Travel Time (Minutes)	27.3	19.8	32.2	25.2	24.3	24.4
Finances						
Expenditures	$216,794,663	$9,478,584	$16,512,779	$8,981,917	$1,743,716	$9,319,631
Public Safety	23.0%	20.2%	27.0%	15.9%	6.8%	13.2%
Transportation	13.4%	16.0%	15.6%	22.8%	53.1%	35.9%
Tax Rate	$7.74	$10.45	$4.55	$3.06	$4.25	$5.30

Major Urban Centers

The first cluster—major urban centers—may be thought of as a "big city" grouping, although its 19 members include only six cities (Albany, Buffalo, Rochester, Syracuse, Yonkers and White Plains), while 13 are towns. Note that New York City was not included in the analysis, as it is unique in size and many other ways, and really cannot be compared to other cities in the State. Although not in New York City's league, the municipalities in this group are generally very large—both in terms of population and land area. The towns in this cluster include the largest in the State in terms of population. These towns are generally more urban in nature than other towns, and experience challenges similar to those faced by cities.


MUNICIPAL CLUSTERS
Designation
New York City
Major Urban Center
Smaller Urban Center
Suburb
Rural
Not Assigned

Major Urban Centers

(Ranked by Population, 2000 Census)

Name	Class	County	Population
Hempstead	Town	Nassau	755,924
Brookhaven	Town	Suffolk	448,248
Islip	Town	Suffolk	322,612
Oyster Bay	Town	Nassau	293,925
Buffalo	City	Erie	292,648
North Hempstead	Town	Nassau	222,611
Rochester	City	Monroe	219,773
Babylon	Town	Suffolk	211,792
Yonkers	City	Westchester	196,086
Huntington	Town	Suffolk	195,289
Syracuse	City	Onondaga	147,306
Amherst	Town	Erie	116,510
Smithtown	Town	Suffolk	115,715
Ramapo	Town	Rockland	108,905
Albany	City	Albany	95,658
Cheektowaga	Town	Erie	94,019
Clarkstown	Town	Rockland	82,082
Southampton	Town	Suffolk	54,712
White Plains	City	Westchester	53,077

The major urban centers average over 200,000 residents and nearly 70 square miles, and also contain a larger than average foreign-born population (13.5 percent) and a relatively high level of poverty (11 percent). Urban centers have large budgets (given the large populations they serve and their service mix) and have higher-than-average tax rates.[8]

Smaller Urban Centers

This group includes most of the State's "small cities" and villages. The clustering methodology actually produced two clusters that were separated (by the methodology itself) almost precisely along regional lines. One cluster was located upstate (i.e., anywhere outside of the New York City metropolitan area that includes Long Island, Westchester, Rockland and Putnam counties), while those in the other cluster were located almost exclusively downstate.

Our interpretation of these two clusters is that they describe a similar *type* of community, but given the very different economic and demographic patterns between the New York City metropolitan region and elsewhere, they have some significant differences, and grouped separately under the cluster analysis methodology. Although they both represent a small city/large village type of community and are similar in many respects, there are some clear differences. We named the clusters "smaller urban centers" and attached an upstate or downstate suffix (although they are presented as a single group in our map).

Geographically, these are smaller municipalities, averaging only three to five square miles in size. While both upstate and downstate smaller urban centers are more densely populated than the suburban and rural clusters, smaller urban centers downstate (5,310 residents/square mile) are more than twice as dense as those located upstate (2,237 residents/square mile).

The upstate smaller urban centers have a greater percentage of older housing (63 percent constructed prior to 1950) when compared to the other cluster groups, while housing in the downstate smaller urban centers is somewhat newer (42 percent). There is also a significant upstate-downstate difference in both income and property values, with downstate communities having substantially higher property values and income—indicative of the higher cost of living in these downstate communities. Furthermore, both upstate and downstate smaller urban centers spent proportionally more on public safety, which is a functional characteristic of cities and village governments. The smaller urban centers located upstate have the highest rate of poverty compared to the other categories and more than twice the rate of poverty in the downstate category, while downstate communities have a larger foreign-born population.

While these two clusters consist mainly of cities and villages, there are also two towns in the upstate cluster. These towns are Tonawanda and Ellicott in Western New York, which have characteristics similar to upstate small cities and villages, such as a more dense population center, older housing and a compact land area. Ellicott, for example, appears more city-like because of high public safety expenditures and a large portion of older housing—two distinctively urban characteristics for upstate communities. The downstate cluster also includes 14 towns.

Smaller Urban Centers – Upstate

(N=240)

Cities

Amsterdam	Fulton	Kingston	Norwich	Rensselaer
Auburn	Geneva	Lackawanna	Ogdensburg	Rome
Batavia	Glens Falls	Little Falls	Olean	Salamanca
Binghamton	Gloversville	Lockport	Oneida	Schenectady
Canandaigua	Hornell	Mechanicville	Oneonta	Tonawanda
Cohoes	Hudson	Middletown	Oswego	Troy
Corning	Ithaca	Newburgh	Plattsburgh	Utica
Cortland	Jamestown	Niagara Falls	Port Jervis	Watertown
Dunkirk	Johnstown	North Tonawanda	Poughkeepsie	Watervliet
Elmira				

Towns

Ellicott	Tonawanda

Villages

Adams	Brockport	Corinth	Geneseo	LeRoy	New Paltz	Potsdam	Trumansburg
Addison	Brocton	Coxsackie	Gouverneur	Liberty	New York Mills	Pulaski	Tupper Lake
Akron	Brownville	Cuba	Gowanda	Little Valley	Newark	Randolph	Unadilla
Albion	Caledonia	Dannemora	Granville	Liverpool	Newark Valley	Red Hook	Union Springs
Alexandria Bay	Cambridge	Dansville	Green Island	Lowville	North Collins	Sacketts Harbor	Vernon
Alfred	Camden	Delevan	Greene	Lyons	North Syracuse	Saranac Lake	Walden
Allegany	Camillus	Delhi	Greenport	Malone	Northville	Saugerties	Walton
Andover	Canajoharie	Deposit	Greenwich	Massena	Norwood	Schoharie	Wappingsers Falls
Angola	Canastota	Dexter	Groton	Mayville	Nunda	Schuylerville	Warsaw
Arcade	Canisteo	Dolgeville	Hamburg	McGraw	Oakfield	Scotia	Waterford
Athens	Carthage	Dryden	Hamilton	Medina	Oriskany	Seneca Falls	Waterloo
Attica	Castile	Dundee	Hancock	Mexico	Owego	Sherburne	Waterville
Avoca	Castleton-on-Hudson	East Aurora	Herkimer	Middleburgh	Oxford	Shortsville	Watkins Glen
Avon	Catskill	East Rochester	Holley	Middleport	Painted Post	Sidney	Waverly
Bainbridge	Cattaraugus	East Syracuse	Homer	Mohawk	Palmyra	Silver Creek	Wayland
Baldwinsville	Cazenovia	Ellenville	Hoosick Falls	Monticello	Penn Yan	Sloan	Weedsport
Ballston Spa	Celoron	Elmira Heights	Hudson Falls	Montour Falls	Perry	Sodus	Wellsville
Bath	Champlain	Endicott	Ilion	Moravia	Phelps	Sodus Point	West Carthage
Bergen	Chatham	Falconer	Johnson City	Morrisville	Philadelphia	Solvay	Westfield
Black River	Clayton	Fort Edward	Jordon	Mount Morris	Philmont	South Glens Falls	Whitehall
Blasdell	Clifton Springs	Fort Plain	Keeseville	Naples	Phoenix	Springville	Whitesboro
Bolivar	Clyde	Frankfort	Kenmore	Nassau	Port Byron	St. Johnsville	Wilson
Boonville	Cobleskill	Franklinville	Lake Placid	New Berlin	Port Dickenson	Stamford	Wolcott
Broadalbin	Cooperstown	Fredonia	Lancaster	New Hartford	Port Henry	Tivoli	Yorkville

Smaller Urban Centers – Downstate

(N=107)

Cities

Glen Cove	New Rochelle
Long Beach	Peekskill
Mount Vernon	Rye

Towns

Bedford	Lewisboro	North Castle	Pelham
Eastchester	Mamaroneck	Orangetown	Pound Ridge
Greenburgh	Mount Pleasant	Ossining	Rye
Harrison	New Castle		

Villages

Amityville	Flower Hill	Lattingtown	Nyack	Rye Brook
Ardsley	Freeport	Lawrence	Old Brookville	Sea Cliff
Atlantic Beach	Garden City	Lindenhurst	Ossining	Sleepy Hollow
Baxter Estates	Great Neck	Lloyd Harbor	Patchogue	South Floral Park
Bayville	Great Neck Estates	Lynbrook	Pelham	South Nyack
Bellerose	Great Neck Plaza	Malverne	Pelham Manor	Southampton
Brewster	Harrison	Mamaroneck	Piermont	Spring Valley
Briarcliff Manor	Hastings-on-Hudson	Manorhaven	Pleasantville	Stewart Manor
Cedarhurst	Haverstraw	Massapequa Park	Pomona	Suffern
Chestnut Ridge	Hempstead	Mineola	Port Chester	Tarrytown
Croton-on-Hudson	Hewlett Harbor	Mount Kisco	Port Washington North	Thomaston
Dobbs Ferry	Huntington Bay	Munsey Park	Quogue	Tuckahoe
East Hampton	Irvington	Muttontown	Rockville Center	Upper Brookville
East Hills	Island Park	New Hyde Park	Roslyn	Valley Stream
East Rockaway	Kensington	Nissequogue	Roslyn Estates	West Haverstraw
East Williston	Lake Success	North Hills	Roslyn Harbor	Westbury
Elmsford	Lansing	Northport	Russell Gardens	Williston Park
Floral Park	Larchmont			

Suburbs

This group comprises primarily non-rural towns, and displays characteristics most often thought of as "suburban." However, it also includes 71 villages and three cities. It is characterized by relatively low population density in comparison to the "urban center" groupings.

Localities in this group have relatively newer housing, with a lower percentage built prior to 1950 (29 percent) and fewer residents in poverty (5.5 percent) when compared to most other clusters. These are characteristic of more newly developed and affluent areas. These suburban localities also have the lowest average property tax rate when compared to the other groups.

The proximity of suburbs to urban centers differs for upstate and downstate. Downstate suburban towns tend to be outer-ring suburbs of the New York City metropolitan area, while upstate suburban towns tend to be located within fairly close proximity to the upstate large cities. Suburban towns tend to be geographically larger than the more compact towns found in the urban center clusters.

The 71 villages included in this cluster share characteristics in common with suburban towns. For example, these villages tend to have lower tax rates when compared to the villages in the other clusters. These villages also have higher property values and family income levels more typical of suburban locations.

Similarly, the three cities in this cluster, Sherrill in the Mohawk Valley, Beacon in the mid-Hudson Valley and Saratoga Springs in the Capital District, tend to be more suburban when examining indicators such as population density, housing, land area and local wealth.

Rural

This is the largest cluster (in number of local governments) and is composed almost entirely of towns, although six villages are included. The group is primarily characterized by very low population density (less than 100 residents per square mile), but its members also tend to cover a large geographic area (averaging 51 square miles) and have small populations (averaging roughly 3,700 residents).

Suburbs
(N=246)

Cities

Beacon	Saratoga Springs	Sherrill

Towns

Alden	Cornwall	Greece	Marilla	Penfield	Southold
Amsterdam	Cortlandt	Greenport	Mendon	Perinton	Stoney Point
Aurora	Crawford	Greenville (Orange)	Milan	Philipstown	Tuxedo
Ballston	DeWitt	Guilderland	Minetto	Pittsford	Ulster
Beekman	Deerfield	Halfmoon	Minisink	Plattsburgh	Ulysses
Bethlehem	Deerpark	Hamburg	Monroe	Pleasant Valley	Union Vale
Big Flats	Dickinson (Broome)	Hamptonburgh	Montgomery	Poestenkill	Van Buren
Blooming Grove	Dover	Haverstraw	Moreau	Porter	Vestal
Boston	Duanesburg	Henrietta	Mount Hope	Poughkeepsie	Victor
Brant	Dunkirk	Highlands	New Hartford	Princetown	Wales
Brighton (Monroe)	East Fishkill	Hyde Park	New Paltz	Putnam Valley	Walkill
Brunswick	East Greenbush	Irondequoit	New Scotland	Queensbury	Walworth
Cambria	Eden	Ithaca	New Windsor	Red Hook	Wappinger
Camillus	Ellicottville	Kent	Newburgh	Rhinebeck	Warwick
Canaan	Elma	Kirkwood	Newstead	Richmond	Washington
Canandaigua	Elmira	LaFayette	Niagara	Riga	Waterford
Carmel	Erwin	LaGrange	Niskayuna	Riverhead	Watertown
Charlton	Esperance	Lake George	North Greenbush	Rosendale	Wawayanda
Chenango	Evans	Lancaster	North Salem	Rotterdam	Webster
Chester (Orange)	Farmington	Lansing	Norwich	Rush	West Seneca
Chili	Fishkill	Lewiston	Ogden	Salina	Wheatfield
Cicero	Fleming	Lloyd	Olive	Sand Lake	Wheatland
Clarence	Gardiner	Lockport	Onondaga	Saugerties	Williamson
Clarkson	Gates	Lysander	Ontario	Schodack	Wilton
Clay	Geddes	Macedon	Orchard Park	Shelter Island	Windham
Clifton Park	Geneva	Malta	Parma	Skaneateles	Woodbury
Clinton (Dutchess)	Glenville	Manlius	Patterson	Somers	Woodstock
Coeymans	Goshen	Marcellus	Pawling	Southeast	Yorktown
Colonie	Grand Island	Marcy	Pendleton		

Villages

Airmont	Churchville	Harriman	Manlius	Pittsford	Victor
Alden	Cold Spring	Highland Falls	Marcellus	Port Jefferson	Vill. of the Branch
Altamont	Colonie	Hilton	Maybrook	Ravena	Voorheesville
Babylon	Cornwall-on-Hudson	Honeoye Falls	Menands	Rhinebeck	Warwick
Bellport	Depew	Horseheads	Millbrook	Rouses Point	Washingtonville
Bloomfield	Elbridge	Islandia	Minoa	Sag Harbor	Webster
Brightwaters	Fairport	Kinderhook	Monroe	Scottsville	Wesley Hills
Buchanan	Fayetteville	Lake Grove	Montebello	Skaneateles	Westhampton Beach
Cayuga Heights	Fishkill	Lewiston	Montgomery	Sloatsburg	Williamsville
Central Square	Florida	Lima	New Hempstead	Spencerport	Wurtsboro
Chester	Goshen	Macedon	Orchard Park	Upper Nyack	Youngstown
Chittenango	Greenwood Lake	Manchester	Pawling	Valatie	

In terms of finances, these rural localities levy taxes at fairly low rates and support small operating budgets, of which transportation-related activities represent a large portion. Residents in these communities tend to have lower incomes and house values when compared to other clusters (with the exception of the upstate smaller urban centers). Residents in these rural communities face higher-than-average rates of poverty compared to smaller downstate urban centers and suburban locations, and there are far fewer foreign-born residents than in any other cluster.

Geographic View of Clusters

The map on page 8 shows the geographic distribution of the clusters, with the smaller urban centers shown as one group, including both upstate and downstate components. This geographic representation is intuitively satisfying, as the major urban centers, smaller urban centers, suburbs and rural communities all follow expected patterns, with the urban areas along the Hudson and Erie Canal corridors being surrounded by suburban rings. Cities and villages of reasonable size outside of that corridor also are shown as smaller urban centers. In the upstate areas, the urban areas are generally surrounded by localities classified as suburbs, with exceptions where cities exist in relative isolation, primarily or completely surrounded by rural areas. In some cases, such as the Village of Kenmore outside of Buffalo, a small urban center surrounds a major urban area—serving as the older inner-ring, urban perimeter of a large city. In the New York City metropolitan area, most inner-ring communities are classified either as major urban centers or smaller urban centers, reflecting the far greater populations and densities of "first suburbs" in that area. The communities identified as suburbs in the New York City metropolitan area are located further out (generally north of Westchester and Rockland Counties, or east of Nassau County). Note that some localities are not assigned in this map (appearing as white), most often because their population is below 1,000, or because data were missing. The unassigned communities are most often in rural areas.

Rural (N=616)

Towns

Adams
Addison
Afton
Alabama
Albion (Orleans)
Albion (Oswego)
Alexander
Alexandria
Alfred
Allegany
Almond
Altamont
Altona
Amboy
Amenia
Amity
Ancram
Andes
Andover
Angelica
Antwerp
Arcade
Arcadia
Argyle
Arkwright
Ashford
Ashland (Chemung)
Athens
Attica
Augusta
Aurelius
Ausable
Austerlitz
Avon
Bainbridge
Bangor
Barker
Barre
Barrington
Barton
Batavia
Bath
Beekmantown
Belfast
Bellmont
Bennington
Benton
Bergen
Berkshire
Berlin
Berne
Bethany
Bethel
Binghamton
Black Brook
Bolivar
Bolton
Bombay
Boonville
Brasher
Bridgewater
Brighton (Franklin)
Bristol
Broadalbin
Brookfield
Brownville
Brutus
Burke
Burlington
Burns
Busti
Butler
Butternuts
Byron
Cairo
Caledonia
Callicoon
Cambridge
Camden
Cameron
Campbell
Canadice
Canajoharie
Candor
Caneadea
Canisteo
Canton
Cape Vincent
Carlisle
Carlton
Caroga
Caroline
Carroll
Carrollton
Castile
Catharine
Catlin
Cato
Caton
Catskill
Cazenovia
Champion
Champlain
Charleston
Charlotte
Chateaugay
Chatham
Chautauqua
Chazy
Chemung
Cherry Creek
Cherry Valley
Chester (Warren)
Chesterfield
Cincinnatus
Clarendon
Clarksville
Claverack
Clayton
Clermont
Clymer
Cobleskill
Cochecton
Cohocton
Colchester
Colden
Colesville
Collins
Colton
Columbia
Concord
Conesus
Conewango
Conklin
Conquest
Constable
Constantia
Copake
Corinth
Corning
Cortlandville
Coventry
Covert
Covington
Coxsackie
Croghan
Crown Point
Cuba
Cuyler
Danby
Dannemora
Dansville
Danube
Darien
Davenport
Dayton
De Kalb
De Ruyter
Delaware
Delhi
Denmark
Deposit
Diana
Dix
Dryden
Durham
Eagle
East Bloomfield
Easton
Eaton
Edinburg
Edmeston
Edwards
Elba
Elbridge
Elizabethtown
Ellenburg
Ellery
Ellington
Ellisburg
Enfield
Ephratah
Erin
Esopus
Fabius
Fairfield
Fallsburg
Farmersville
Fayette
Fenner
Fenton
Fine
Florence
Florida
Floyd
Forestport
Fort Ann
Fort Covington
Fort Edward
Fowler
Frankfort
Franklin (Franklin)
Franklin (Delaware)
Franklinville
Freedom
Fremont (Sullivan)
Fulton
Gaines
Gainesville
Galen
Gallatin
Galway
Genesee
Geneseo
Genoa
German Flatts
Germantown
Gerry
Ghent
Gilboa
Glen
Gorham
Gouverneur
Grafton
Granby
Granville
Great Valley
Greene
Greenfield
Greenville (Greene)
Greenwich
Greig
Groton
Groveland
Guilford
Hadley
Hamden
Hamlin
Hammond
Hancock
Hannibal
Hanover
Harmony
Harpersfield
Harrietstown
Hartford
Hartland
Hartwick
Hastings
Hebron
Hector
Henderson
Herkimer
Hermon
Highland
Hillsdale
Hinsdale
Holland
Homer
Hoosick
Hopewell
Hopkinton
Horicon
Hornby
Hornellsville
Horseheads
Hounsfield
Howard
Hume
Hunter
Hurley
Huron
Independence
Indian Lake
Ira
Italy
Jackson
Jasper
Java
Jay
Jefferson
Jerusalem
Johnsburg
Johnstown
Junius
Keene
Kendall
Kiantone
Kinderhook
Kingsbury
Kirkland
Knox
Kortright
Lake Luzerne
Laurens
Lawrence
Le Ray
Le Roy
Lebanon
Ledyard
Lee
Leicester
Lenox
Leon
Lewis (Essex)
Leyden
Liberty
Lima
Lincoln
Lindley
Lisbon
Lisle
Litchfield
Little Falls
Little Valley
Livingston
Livonia
Locke
Lodi
Louisville
Lowville
Lumberland
Lyme
Lyons
Lyonsdale
Machias
Madison
Madrid
Maine
Malone
Mamakating
Manchester
Manheim
Marathon
Marbletown
Marion
Marlborough
Marshall
Martinsburg
Maryland
Masonville
Massena
Mayfield
Mentz
Meredith
Mexico
Middleburgh
Middlebury
Middlefield
Middlesex
Middletown
Milford
Milo
Milton
Mina
Minden
Mohawk
Moira
Montezuma
Montour
Knox
Mooers
Moravia
Moriah
Morris
Morristown
Mount Morris
Murray
Nanticoke
Naples
Napoli
Nassau
Nelson
Neversink
New Albion
New Baltimore
New Berlin
New Bremen
New Haven
New Lebanon
New Lisbon
Newark Valley
Newfane
Newfield
Newport
Nichols
Niles
Norfolk
North Collins
North Dansville
North East
North Elba
North Harmony
North Norwich
Northampton
Northumberland
Nunda
Oakfield
Olean
Oneonta
Oppenheim
Orange
Orangeville
Orleans
Orwell
Oswegatchie
Oswego
Otego
Otisco
Otsego
Otselic
Ovid
Owasco
Owego
Palatine
Palermo
Palmyra
Pamelia
Paris
Parish
Parishville
Pavilion
Pembroke
Perry
Perrysburg
Persia
Perth
Peru
Petersburgh
Phelps
Philadelphia
Pierrepont
Pike
Pine Plains
Pittsfield
Pittstown
Plattekill
Plymouth
Poland
Pomfret
Pompey
Portland
Portville
Potsdam
Potter
Prattsburgh
Preble
Providence
Pulteney
Randolph
Rathbone
Reading
Remsen
Rensselaerville
Richfield
Richford
Richland
Richmondville
Ridgeway
Ripley
Rochester
Rockland
Rodman
Romulus
Root
Rose
Roxbury
Royalton
Rushford
Russell
Russia
Rutland
Salem
Salisbury
Sandy Creek
Sanford
Sangerfield
Saranac
Saratoga
Sardinia
Savannah
Schaghticoke
Schoharie
Schroeppel
Schroon
Schuyler
Schuyler Falls
Scio
Scipio
Scott
Scriba
Seneca
Seneca Falls
Sennett
Seward
Shandaken
Sharon
Shawangunk
Shelby
Sheldon
Sherburne
Sheridan
Sherman
Sidney
Smithfield
Smithville
Smyrna
Sodus
Solon
Somerset
South Bristol
Southport
Spafford
Sparta
Spencer
Springfield
Springport
Springwater
St. Armand
St. Johnsville
Stafford
Stamford
Stanford
Starkey
Stephentown
Sterling
Steuben
Stillwater
Stockbridge
Stockholm
Stockport
Stockton
Stuyvesant
Sullivan
Summit
Sweden
Taghkanic
Theresa
Thompson
Throop
Thurman
Thurston
Ticonderoga
Tioga
Tompkins
Torrey
Trenton
Triangle
Troupsburg
Truxton
Tully
Tuscarora
Tusten
Tyrone
Unadilla
Union
Urbana
Van Etten
Varick
Venice
Vernon
Veteran
Victory
Vienna
Villenova
Virgil
Volney
Waddington
Walton
Warren
Warrensburg
Warsaw
Waterloo
Watson
Waverly
Wawarsing
Wayland
Wayne
Webb
Wellsville
West Bloomfield
West Monroe
West Sparta
West Turin
Westerlo
Western
Westfield
Westmoreland
Westport
Westville
Wheeler
White Creek
Whitehall
Whitestown
Willet
Williamstown
Willing
Willsboro
Wilmington
Wilna
Wilson
Windsor
Winfield
Wirt
Wolcott
Woodhull
Worcester
Wright
Yates
York
Yorkshire

Villages

Hagaman
Livonia
Otego
South Corning
Stillwater
Sylvan Beach

Why It Matters: Implications of an Outdated Structure

Classifications of local governments have a number of implications under State law, including provisions for governance, local revenue structure, the application of tax and debt limits, revenue sharing or municipal aid, and treatment under many other programs. A full cataloging of these differences would by itself require an extraordinarily large report. There are, for example, separate sections of State law covering each class of municipality, each filling several volumes. There are also distinctions within class—e.g., first class cities, suburban towns. These distinctions, however, much like those between the classes, increasingly have little relevance to the functions provided by these localities.

This section provides a summary discussion of some of the biggest differences in treatment among local governments based upon their municipal classification. This discussion is meant to be illustrative, provoke public debate and ultimately encourage reconsideration of many of these issues; it is not intended to provide specific policy recommendations.

Governance

Governance is an entire topic within itself, as the methods and manner of governance available to each local government is dependent on various branches of State law. Cities have the most flexibility; like counties, they have the ability to adopt and amend charters. Generally, the governance models available to cities include: mayor-council, council-manager, mayor-council-administrator, commission, or commission-manager. Towns have much less flexibility and are governed by boards and a supervisor. Villages have boards of trustees and mayor, manager or administrator.[9] This is a gross over-simplification of the structures available, on which there are many variations (and there are also distinctions under State law among cities and towns, depending on their size and other considerations). The question is– why should each local government's options for legislative and executive management be controlled by models that were designed for a different century?

In towns, many basic municipal services such as sewer, water, sanitation and fire protection are provided through "special districts," which may be either a subcomponent of the town, or a separately governed municipal entity. These structures were created to provide services that towns could not directly provide. However, in today's environment, where these services are provided throughout many towns, the use of special districts as a governance or tax allocation method is increasingly questioned. Special district expenses are far from incidental — representing 70 percent of town property taxes in Nassau County, for example. Special districts providing fire protection and sanitation have recently come under intense scrutiny, and press accounts and audits have found excessive expenditures and other problems. The State Comptroller's Office is focusing more attention on special districts given these problems.

County Services

Counties do not provide all of their services evenly across municipal boundaries. County roads, for example, are maintained by counties except within city limits, where cities generally provide maintenance. It is also not uncommon for county sheriffs to patrol and provide police service in rural towns, but not in cities, villages or other inner-ring suburbs, where local police forces exist. When the cities and villages represented islands of service provision, and concentrations of population and wealth,

this approach made great sense. The question raised by the preceding analysis, as well as by growing fiscal problems in cities and villages, is—does it today?

In a 2000 survey, the New York Conference of Mayors (NYCOM) found that city property owners did not receive the same level of service from their counties relative to property owners in towns; examples included provision of law enforcement, highway and public park services. A majority of the survey respondents said their county did not provide sheriff services (55 percent) or highway services (65 percent) within the city, and the county did not own and operate a park or recreational facility within 78 percent of surveyed cities.

Municipal Aid

Revenue sharing and many other varieties of aid to local governments are differentiated based on municipal class. To a large extent, this has been helpful to city governments, which often receive greater aid, and are generally facing greater needs than an "average" town or village. While the original statutory revenue-sharing formulas have long been ignored in annual State budgets, cities continue to receive far greater aid than towns or villages. Large urban towns such as Islip and Cheektowaga continue to receive much less municipal State aid than they would if classified as cities,[10] while facing many "urban" problems that in some cases are in much higher proportion than those experienced in more affluent cities, such as Rye and Saratoga Springs.

Revenues

Major urban towns such as Islip and Cheektowaga face issues similar to big cities, and yet these towns cannot diversify their revenue base in the way cities can. Cities, for example, can impose a consumer utility tax. Also, the variety of special laws and distribution agreements that apply to sales taxes treat similar communities very differently. While cities can "pre-empt" a portion of these revenues, other municipalities cannot. The original theory behind the limits on local governments' levy and distribution of sales tax revenues has long been forgotten, while most of the State operates under "temporary" provisions allowing for local sales taxes exceeding 3 percent.[11]

A major example of the differing rules applying by class is that cities and villages have constitutional tax limits, whereas towns do not. The provisions making this differentiation among classes of local government have essentially been in place since 1938,[12] despite the complete change in demographics and relative positions since that time. Moreover, the "big" cities—those above 125,000 in population—also have fiscally dependent school districts which must be provided for within this limit. Buffalo, Rochester and Syracuse (the three upstate big cities) are all running up against their tax limits—and the fiscal stress these cities are now under has led to great tension between public education and other municipal services (police, fire, sanitation). Other cities, villages and counties have also been running up against their tax limits in recent years, but only in the big cities do these tax limits cover schools (in other cities and villages, public education is provided through school districts that are separate local governments). In towns, not only are the schools separately funded, there are no tax limits to begin with.

Historically, tax limits were imposed only on municipalities with concentrations of population (and also wealth). Today there are large concentrations of population in many areas other than cities and villages, and the underlying relative economic circumstances are almost reversed among the various classes. It should be clear that, for better or worse, the original intent behind the tax limits is no longer

being served. Despite the quantum changes in our world since the late 1930s, the concept simply has not been revisited in the modern era.[13]

Since our analysis showed that there are many major urban towns which share the characteristics of the big cities, it is also relevant to ask—what would happen if "big city" rules were applied to those towns? To answer this question, we reviewed current school and municipal expenditures in towns exceeding the population threshold for large cities (125,000). Our analysis showed that these towns (and school districts within their boundaries) generally could not operate under the big city rules without *exceeding* the tax limits that apply in such cities. That is, if these towns had fiscally dependent school districts and a tax limit set at 2 percent of taxable property value, virtually all would be exceeding such limits by a very wide margin. This begs the question — are the limits right? And if a tax limit is right for Syracuse, why not Hempstead (a municipality more than five times its size)? Regardless of whether tax limits are seen as a positive or negative feature of our municipal structure, the fact that they were applied to a subset of local governments based on conditions in 1938, rather than the very different conditions applying today, suggests that it is a topic worthy of re-examination. This is almost analogous to not having revisited our vehicle and traffic law since automobiles became the primary means of transportation.

Convergence in Functions

As noted earlier, while the legal and organizational structures of cities, towns and villages are very different, the functions performed by these different classes of municipalities have been converging. Many studies have shown that there are no longer dramatic differences in the types of services offered by towns, villages and cities. However, because of the differential treatment under State law, often these functions must be provided in a different manner (for example, towns cannot provide fire services directly, but can contract for them and establish fire districts).

A comprehensive analysis on this topic was provided in *The Evolution of New York State's Local Government System*, prepared for the Local Government Restructuring Project in 1990.[14] That study describes how New York State's local government system has evolved over four centuries of incremental development, with a convergence of functions and powers among the classes of municipalities occurring over time. The resulting patchwork, however, contains much more complexity than is necessary, much of which stands in the way of efficient and effective local operations. The study's author, Gerald Benjamin of SUNY New Paltz, concluded that starting from scratch, no expert or group of experts would design the "system" of local government operating in New York State today. Benjamin goes on to say that under contemporary circumstances, in which the powers of local governments have become so similar, it is difficult to imagine a rationale for such a system.

Municipal Structures and Rules Were More Flexible in the Past

It is important to understand that the roots of our current system were rationally based upon conditions at the time. Cities, villages and towns were taken from European models, and the forms of governance were designed for varying types of localities, with clear differences in size, density and services provided. Today, with these differences substantially eroded, and in some cases reversed (such as many towns being larger than our "big cities"), the different forms persist.

This inertia in structure has not always been the rule in New York. In fact, at various times in the State's history, there have been dramatic and broad changes in the organization and delegation of powers among classes of local governments. As Benjamin describes, "the forms and functions of local government in New York were regularly altered by state and local leaders in response to the forces that worked to fundamentally change the state itself: the growth and spread of population, increase population diversity, industrialization and urbanization."[15]

Towns provide a good example. Although originally created for the purposes of local administration, with the necessary minimum of powers to facilitate governance in rural areas, towns have today become fully functional municipalities, able to provide (in one way or another) virtually all the services and functions provided by cities and villages. Among the major changes for towns are: receiving land use control power (1926); elimination of town meetings and provision for larger towns to have powers as extensive as those of villages (1932); the extension of home rule to towns by constitutional amendment (1963); and provisions for alternative governmental structures, at local option, through the Suburban Town Law.

However, no major changes have taken place for a very long time. Given the almost revolutionary shifts in population and economics since the 1960s, it is difficult to understand why commensurate changes in the State's municipal structure and rules have not been made, as they were in earlier eras. Benjamin's explanation of this is that "governance arrangements are sustained by the inertia always attendant to the status quo; by the stake large numbers of local officials have in them; by sentimental attachment in local populations to governmental entities that may well no longer be needed; and by patterns of state aid to local governments based upon traditional legal categories rather than more appropriate criteria."[16]

Ironically, the last major change to the rules of the game—the municipal home rule and annexation changes enacted in 1963—generally served to preserve the existing geographical municipal structure.

Local Government Restructuring Project

It is not correct to say that there has been no interest in reform in the modern era. In the early 1990s, in fact, there was a great deal of interest in the topic. In his 1990 State of the State Address, Governor Cuomo expressed concern about the large number of local governments in the State, their overlapping authority and small size in many cases, the apparent lack of

Other Local Government Entities

Although not a topic of this study, it should at least be mentioned that the underlying local government structure in New York State is actually much more complex and convoluted than an examination of only municipalities can reveal. That is because there are a large number of local government entities in addition to general purpose local governments (cities, towns villages and counties) —in fact, there are more than 4,200 local government entities overall. This larger figure includes 698 school districts and 867 fire districts—special purpose local governments which also levy property taxes. There are also more than 1,000 other special purpose local government entities, including local public authorities, industrial development agencies, special districts, libraries, regional planning boards, community colleges, joint activities, etc. Many of these provide what are essentially municipal services, such as water, sewer, garbage collection and community development. Recent events and concern about costs for fire protection, sanitation and other services have caused these special districts to come under much greater scrutiny, and the State Comptroller's Office is heightening its oversight efforts and focusing on policy solutions.

logic in the distinctions among types of local government, and the need to encourage consolidation. He announced the formation of a blue ribbon task force, headed by the Secretary of State. Also at this time, the Rockefeller Institute of Government formed a task force on the structure, efficiency and effectiveness of local government. The Institute's Local Government Restructuring Project commissioned a number of studies (including the Benjamin report), and produced a final report in 1992, which proposed model legislation in nine areas:

- County Contracts (allowing counties to perform any municipal services, by contract, for any of the municipalities within its area)
- Metropolitan Municipal Corporations (allowing the creation of regional multipurpose special districts)
- Regional Transportation Authorities (expanding functions)
- Expand Metropolitan, Regional or County Planning Board Functions
- Expand Financing Options for Joint Activities
- Village Incorporation (require townwide approval of new incorporations)
- County Charter (ease provisions for adopting and altering charters)
- Joint Restructuring Study Commissions (could be created by any group of municipalities, and given the power to place restructuring questions directly before the voters)
- Government Review Study Commissions (establishes the opportunity for voters to determine if there should be a fundamental re-examination of local government at the county level at least once every 20 years).

An examination of these issues is beyond the scope of this report. However, the work of this task force clearly established (as have many other studies) that a municipal structure designed for another century has many disadvantages for the State and its component local governments.

Local Governance Dialogue Project

More recently, this theme has been reinforced by local officials interviewed as part of the Local Governance Dialogue project—a research effort concerned with the sustainability of municipalities in New York State.[17] The project was stimulated by concerns about the marked decline in fiscal and economic conditions, coupled with an absence of public discourse on the structure and functions of local government, and was designed to create a substantive conversation on these important topics. A number of themes have emerged, including several which support the notion that our structures are outdated. Following are comments from local government officials, gathered as part of this project:

> "The sheriff's department [is] financed on a county-wide tax base which includes the city. Now they don't provide any service within the city, yet the city pays…in proportion to their taxable value as to the county taxable value…So the city is paying for the county sheriff's department and yet they have to maintain their own police department if they want it."

> "If you look at the world, it's different than when we created all these boundaries…The boundaries were in place before we had the telephone … they were in place before we had an interstate road network. They were in place before all our modern assumptions about life."

"The State sets the rules by which local governments tax and spend. So the entire fiscal structure of New York State, including heavy dependence on the local property tax and an accommodation of fragmented local government with multiple local tax rates, is out of local hands."

"We hear about home rule, but really the handcuffing of local government is pretty real in terms of aid—what you can raise money for, how you can raise it, the whole policy choices about it, whether it's land use, whether it's on economic development, whether it's on service delivery, or whether it's on how you can change your government structures."

Annexation

Prior to widespread suburbanization in New York State, when cities and villages represented islands of municipal service-provision in an otherwise rural landscape, cities would often annex settled portions of the towns surrounding them. Thus, as cities' populations grew, so did their boundaries. Each annexation required a special act of the State Legislature, but such acts were fairly common.

Constitutional Concerns

A 1995 report recommending State constitutional changes also referenced the need for reform of New York's local government structure. Entitled *Effective Government Now for the New Century (The Final Report of the Temporary State Commission on Constitutional Revision),* the report pointed out the need for streamlining:

"New York's forms of general purpose government–counties, cities, towns, and villages –were devised in the eighteenth century and developed in the nineteenth. But they have not been modified in the twentieth century, despite enormous changes in population size and diversity, economic activity, transportation systems, settlement patterns and communications technology. Instead, the state has added frequently but streamlined rarely. Localities kept their forms, but their functions converged. Where necessary, single-function, special districts and authorities were created to augment existing entities, increasing layering and complexity. The result is not a system, but a maze of overlapping and often competing jurisdictions."

As population grew in the suburbs and special districts were authorized to provide municipal services, suburban residents began to resist annexation into cities. In 1961, the State Legislature passed the "Selkirk Law," which required representatives of all affected areas (the city, the area to be annexed and the town as a whole) to agree to any annexation of land by a city, using several steps culminating in a formal referendum of city and annexed-area residents. Although presented as a logical framework for annexation, this new process made it extremely difficult for cities to annex populated areas of surrounding towns. In 1963, these provisions were extended to villages and incorporated into the State's Constitution as the Home Rule Article, which also limits the State Legislature's ability to pass a law affecting a specific local government, except at the request of the affected municipality.

While most northeastern states also reduced or removed their cities' powers of annexation around the same time that New York instituted Home Rule, there are about 400 cities in 37 states in the southern and western regions of the country that are still able to annex more freely. Of these, 249 cities annexed surrounding areas at least once between 1990 and 2000. Between 1960 and 1990, the top 50 most annexing cities tripled their municipal land areas, while New York's cities' boundaries remained unchanged.[18] This growth allowed them to capture population that would otherwise have grown outside city boundaries. Between 1950 and 2000, most major annexing cities increased in population and size,

while New York's city boundaries remained static and the State's city population (excluding New York City) dropped by 24 percent.

This ability to capture metropolitan population growth and the attendant tax base has tremendous fiscal benefits for annexing cities. Annexation enables a city to retain wealth (both real property and income) as residential development spreads. Incomes are higher in annexing cities than in static ones (91 percent of residents' incomes in surrounding suburbs for annexing cities versus 66 percent of suburban incomes for static cities); city credit ratings are higher in annexing cities and desegregation of schools and housing is better in annexing cities.[19]

Regionalism

"Whereas markets—and more importantly, peoples' lives—operate in a metropolitan context, our government structures and programs clearly do not. They cling to boundaries more suited to an 18th century township than to a 21st century metropolis."

Lastly, although it is not the direct subject of this report, it would be remiss to have a discussion of local government structure without mentioning regionalism. Our current local government structure can be said to be outdated largely because it lost flexibility – there have not been changes since the early years of the last century. As our world grew and changed, our municipal structure did not. The fragmented structure of land use regulation, transportation and economic development planning are all repeatedly described as impediments in advancing many regional concerns. While there are many examples of cooperation among local governments, there is also a tendency to compete for local advantage.

An examination of the history of state and local governments in the tri-state region can be found in *Regionalism and Realism*.[20] Among the book's major conclusions is that acting regionally is almost always up to the state (not local governments), because states control the rules of the game. In New York State, as this analysis describes, the rules are very much out of date.

The importance of regional approaches was recently described by Bruce Katz of the Brookings Institute in a speech to the Onondaga Citizens League Forum: "Whereas markets—and more importantly, peoples' lives—operate in a metropolitan context, our government structures and programs clearly do not. They cling to boundaries more suited to an 18th century township than to a 21st century metropolis."[21]

Conclusion

This study's illustrative reassignment of cities, towns and villages into groups is intended more to provoke examination of existing differences in treatment than to suggest a specific solution. However, by looking at how we might group municipalities if the legal classifications of city, town or village did not exist, this report brings attention to the ways in which these classifications no longer fit the current demographics and finances of those municipalities.

The research presented in this report admittedly raises more questions than it answers, but that is its intention. It points to a number of issues ripe for review, including the governance provisions for each class, the provision of transportation and other county services to municipalities, and the basic approach to State aid for municipal governments. Like earlier work from prominent studies and task forces, it also supports a fundamental reevaluation of our municipal structure.

Each of these topics should be examined closely in the current era, where it is widely perceived than a complex and outdated local government structure is one of the factors driving high overall government expenditures and taxes in New York State.

Notes:

[1] These figures exclude New York City, which has maintained its population during this period, although its economy has changed dramatically. An earlier report from this Office examines the demographic changes among the State's cities, Population Trends in New York State's Cities, available online at: www.osc.state.ny.us/localgov/pubs/research/pop_trends.pdf.

[2] Generally, when people refer to municipalities, they are referring only to the cities, towns and villages (not the counties containing them). This study is concerned only with cities, towns and villages; it does not include a review of counties or their functions, although this is an interesting topic which has been reviewed by Gerald Benjamin (see below) and others. It also does not cover New York City, which is unique not only in its size, but also in having both city and county functions. The village total or cluster analysis does not include the two recently incorporated (2006) villages of South Blooming Grove and Woodbury.

[3] There have been changes; however: three towns were created – each coterminous with an existing village, but these were offset by dissolutions (through annexation with other towns).

[4] For a description of the incorporation process, see the *Local Government Handbook*, NYS Department of State, (5th edition, 2000), available online at: www.dos.state.ny.us/lgss/pdfs/Handbook.pdf.

[5] Michael S. Lewis-Beck, Alan Bryman and Tim Futing Liao, "The Sage Encyclopedia of Social Science Research Methods Volume 1." Sage Publications Inc., 2004.

[6] For example, similar variables were used in a study on central cities: *What is a Central City in the United States? Applying a Statistical Technique for Developing Taxonomies*, Edward W. Hill, John F. Brennan and Harold L. Wolman, Urban Studies, Vol. 35, No. 11, 1998.

[7] For this analysis, two-step cluster analysis was used to determine the number of clusters and membership of each cluster. The outcome of the cluster analysis was then verified using discriminant analysis. Seven cases were reassigned based on the results of the discriminant analysis. Four were moved from the major urban center cluster to other clusters. The City of Ithaca and the Village of New Paltz were reassigned to the smaller urban center – upstate cluster, the Town of Monroe was reassigned to the suburban cluster and the Town of Webb was reassigned to the rural cluster. The Towns of Haverstraw and Saugerties were reclassified as suburbs, and the Town of Lumberland was reassigned to the rural class.

[8] For the Big 4 Cities, we have included the school tax levy in the computation of the tax rate. This was done because for these cities (which have dependent school districts), the school district does not have separate authority to levy school tax. Had we excluded the school tax levy, the average tax rate for this cluster would be $4.54 per thousand full valuation, which is less than the overall mean, and very close to that of downstate smaller urban centers.

[9] For a description of the city, town and village governance provisions, see the *Local Government Handbook*, NYS Department of State, (5th edition, 2000), available online at: www.dos.state.ny.us/lgss/pdfs/Handbook.pdf.

[10] The actual calculation of how much aid would change if a municipality were of a different class is extremely problematic, as the original statutory formulas (which were based on per capita aid amounts differentiated based on class) have been suspended, frozen, or incrementally enhanced through a variety of measures over the years. A more complete discussion of revenue sharing is provided in an earlier report from this Office, *Revenue Sharing in New York State*, available online at: www.osc.state.ny.us/localgov/pubs/research/rev_sharing.pdf.

[11] An extensive background on local sales taxes is available in an earlier report from this Office, *Local Government Sales Taxes in New York State – Description, Trends and Issues*, available online at: www.osc.state.ny.us. An earlier report from this Office examines the demographic changes among the State's cities, Population Trends in New York State's Cities, available online at: www.osc.state.ny.us/localgov/pubs/research/sales_tax_final_report.pdf.

[12] The first Constitutional Amendment which limited taxing power was adopted in 1884, and applied to several large counties and cities (over 100,000 in population). However, it was not until a Constitutional Amendment in 1938 that a tax limit was made applicable to all cities (and villages).

[13] At least, this is true for municipalities. A constitutional amendment in 1985 removed the tax limits then imposed on small city school districts. And there have been changes in the application of the tax limit since the 1938 constitutional amendment.

[14] Gerald Benjamin, *The Evolution of New York State's Local Government System*, prepared for the Local Government Restructuring Project, Nelson A. Rockefeller Institute of Government, October 1990.

[15] Benjamin, p. 1.

[16] Benjamin, p. 2.

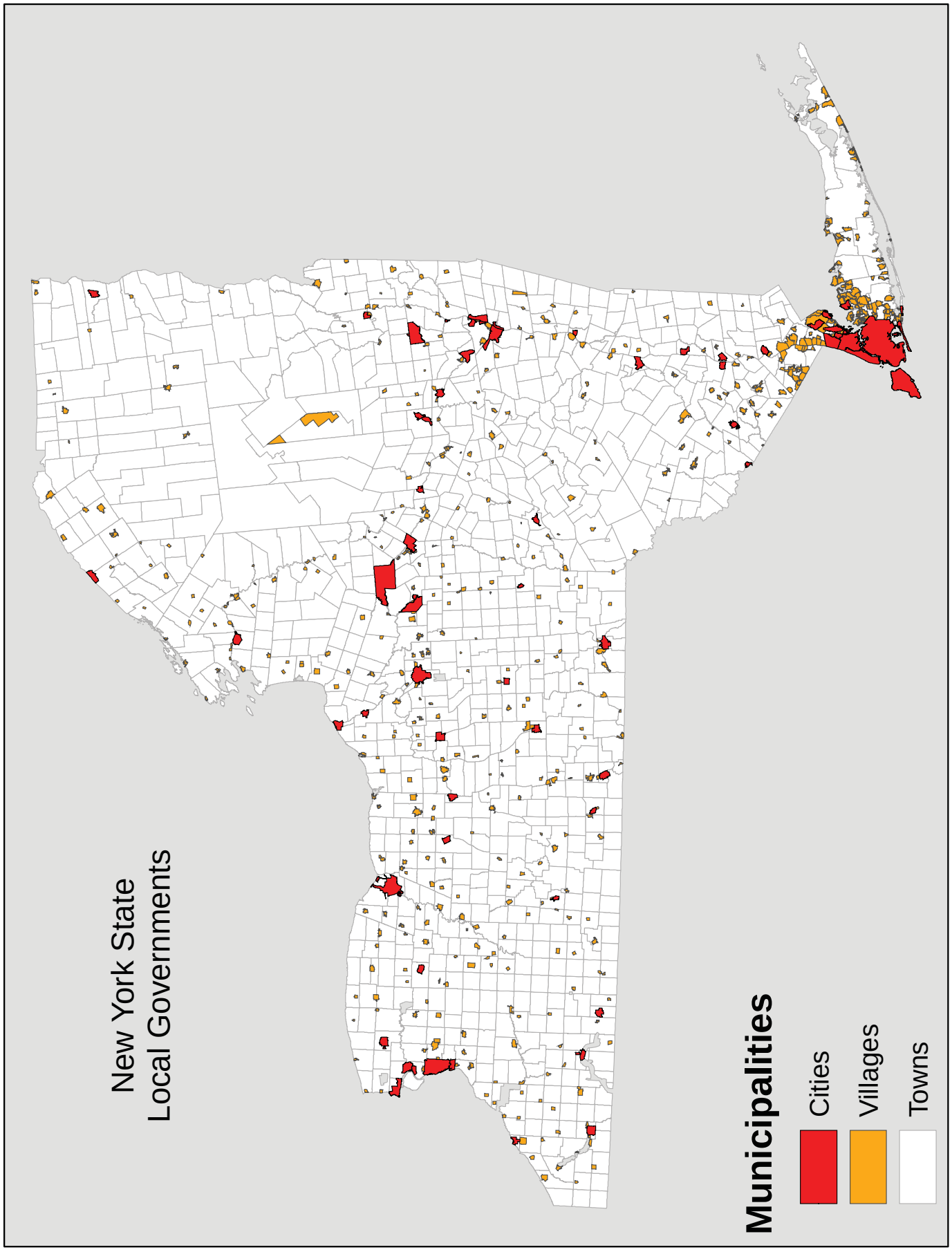
[17] OSC has partnered with the Univeristy at Albany's Rockefeller College of Public Affairs and Policy to create the Local Governanace Dialogue Project. The reports of the project and further information is available online at: www.albany.edu/igsp/lgd.htm.

[18] Rusk, D. (August 2006). "Annexation is Fiscal Fate." *The Brookings Institution: Metropolitan Policy Program*, Retrieved Sept. 2006, from www.brookings.edu/metro/pubs/20060810_fateofcities.pdf .

[19] Rusk, D. (1998, Fall). The Exploding Metropolis: Why Growth Management Makes Sense. *The Brookings Review*. 16, 13-15. Retrieved June 6, 2006, from The Brookings Institution Website: www.brook.edu/press/REVIEW/fa98/rusketal.pdf.

[20] *Regionalism and Realism*, Gerald Benjamin and Richard P. Nathan, Brookings Institute Press (2001).

[21] Bruce Katz, "Transforming Metropolitan Governance in Syracuse: A Roadmap for Prosperity," *The Brookings Institution Metropolitan Policy Program*, available online at: www.brookings.edu/views/speeches/katz/20060517.pdf.


New York State
Local Governments
Municipalities
Cities
Villages
Towns

Village Creations Since 1920

Village	Town	County	Date
East Hampton	East Hampton	Suffolk	1920
South Corning	Corning	Steuben	1920
Almond	Almond	Allegany	1921
Cassadaga	Stockton	Chautauqua	1921
Colonie	Colonie	Albany	1921
Deferiet	Wilna	Jefferson	1921
Delanson	Duanesburg	Schenectady	1921
Great Neck	North Hempstead	Nassau	1921
Herrings	Wilna	Jefferson	1921
Kensington	North Hempstead	Nassau	1921
Malverne	Hempstead	Nassau	1921
Ocean Beach	Islip	Suffolk	1921
Orchard Park	Orchard Park	Erie	1921
Otisville	Mount Hope	Orange	1921
Burke	Burke	Franklin	1922
Downsville	Colchester	Delaware	1922
Evans Mills	Le Ray	Jefferson	1922
La Fargeville*	Orleans	Jefferson	1922
New York Mills	Whitestown	Oneida	1922
Riverside	Corning	Steuben	1922
Lindenhurst	Babylon	Suffolk	1923
Millport	Veteran	Chemung	1923
Sound Avenue*	---	---	1923
Ames	Canajoharie	Montgomery	1924
Bellerose	Hempstead	Nassau	1924
Bloomingburg	Mamakating	Sullivan	1924
Broadalbin	Broadalbin	Fulton	1924
Fillmore	Hume	Allegany	1924
Greenwood Lake	Warwick	Orange	1924
Huntington Bay	Huntington	Suffolk	1924
Jeffersonville	Callicoon	Sullivan	1924
Kings Point	North Hempstead	Nassau	1924
Menands	Colonie	Albany	1924
North Hornell	Hornellsville	Steuben	1924
Old Westbury	North Hempstead	Nassau	1924
Asharoken	Huntington	Suffolk	1925
Brushton	Moira	Franklin	1925
Hewlett Harbor	Hempstead	Nassau	1925
Maybrook	Montgomery	Orange	1925
Mill Neck	Oyster Bay	Nassau	1925
North Syracuse	Clay	Onondaga	1925

* Creation date based on first financial record in the *Special Report on Municipal Affairs.*

Village Creations Since 1920

Village	Town	County	Date
South Floral Park	Hempstead	Nassau	1925
Speculator	Lake Pleasant	Hamilton	1925
Valley Stream	Hempstead	Nassau	1925
Centre Island	Oyster Bay	Nassau	1926
East Williston	North Hempstead	Nassau	1926
Island Park	Hempstead	Nassau	1926
Jamaica Square*	---	---	1926
Laurel Hollow	Oyster Bay	Nassau	1926
Lloyd Harbor	Huntington	Suffolk	1926
Lodi	Lodi	Seneca	1926
Nissequogue	Smithtown	Suffolk	1926
Willston Park	North Hempstead	Nassau	1926
Cove Neck	Oyster Bay	Nassau	1927
Hewlett Neck	Hempstead	Nassau	1927
Lake Success	North Hempstead	Nassau	1927
New Hyde Park	North Hempstead	Nassau	1927
Old Field	Brookhaven	Suffolk	1927
Stewart Manor	Hempstead	Nassau	1927
Village of the Branch	Smithtown	Suffolk	1927
Buchanan	Cortlandt	Westchester	1928
Head of (the) Harbor	Smithtown	Suffolk	1928
Hewlett Bay Park	Hempstead	Nassau	1928
Matinecock	Oyster Bay	Nassau	1928
Northville	---	Suffolk	1928
Quogue	Southampton	Suffolk	1928
West Hampton Beach	Southampton	Suffolk	1928
Castorland	Denmark	Lewis	1929
North Hills	North Hempstead	Nassau	1929
Old Brookville	Oyster Bay	Nassau	1929
Plandome Heights	North Hempstead	Nassau	1929
Sloatsburg	Ramapo	Rockland	1929
Village of the Landing*	---	Suffolk	1929
Great Neck Plaza	North Hempstead	Nassau	1930
Manorhaven	North Hempstead	Nassau	1930
Munsey Park	North Hempstead	Nassau	1930
Baxter Estates	North Hempstead	Nassau	1931
Belle Terre	Brookhaven	Suffolk	1931
Brookville	Oyster Bay	Nassau	1931
East Hills	North Hempstead	Nassau	1931
Flower Hill	North Hempstead	Nassau	1931

* Creation date based on first financial record in the *Special Report on Municipal Affairs.*

Village Creations Since 1920

Village	Town	County	Date
Lattingtown	Oyster Bay	Nassau	1931
Massapequa Park	Oyster Bay	Nassau	1931
Muttontown	Oyster Bay	Nassau	1931
North Haven	Southampton	Suffolk	1931
Oyster Bay Cove	Oyster Bay	Nassau	1931
Plandome Manor	North Hempstead	Nassau	1931
Poquott	Brookhaven	Suffolk	1931
Roslyn Estates	North Hempstead	Nassau	1931
Roslyn Harbor	North Hempstead	Nassau	1931
Russell Gardens	North Hempstead	Nassau	1931
Thomaston	North Hempstead	Nassau	1931
Port Washington North	North Hempstead	Nassau	1932
Roslyn	North Hempstead	Nassau	1932
Upper Brookville	Oyster Bay	Nassau	1932
Westbury	North Hempstead	Nassau	1932
Florida	Warwick	Orange	1946
Tuxedo Park	Tuxedo	Orange	1952
Sodus Point	Sodus	Wayne	1957
New Square	Ramapo	Rockland	1961
Atlantic Beach	Hemstead	Nassau	1962
Port Jefferson	Brookhaven	Suffolk	1963
Amchir	Wawayanda	Orange	1964
Pomona	Ramapo/Haverstraw	Rockland	1967
Lake Grove	Brookhaven	Suffolk	1968
Round Lake	Malta	Saratoga	1969
Sylvan Beach	Vienna	Oneida	1971
Lansing	Lansing	Tompkins	1974
Pelham	Pelham	Westchester	1975
Harrison	Harrison	Westchester	1975
Kiryas Joel	Monroe	Orange	1977
Rye Brook	Rye	Westchester	1982
Wesley Hills	Ramapo	Rockland	1982
New Hempstead	Ramapo	Rockland	1983
Islandia	Islip	Suffolk	1985
Chestnut Ridge	Ramapo	Rockland	1986
Montebello	Ramapo	Rockland	1986
Bloomfield	East Bloomfield	Ontario	1990
Kaser	Ramapo	Rockland	1990
Airmont	Ramapo	Rockland	1991
West Hampton Dunes	Southampton	Suffolk	1993
East Nassau	Nassau	Rensselaer	1998
Sagaponack	Southampton	Suffolk	2005
South Blooming Grove	Blooming Grove	Orange	2006
Woodbury	Woodbury	Orange	2006

Village Dissolutions Since 1920

Village	Town	County	Date
Union**	---	---	1921
La Fargeville**	---	Jefferson	1922
Marlboro**	---	Ulster	1922
Eastwood**	---	---	1926
Newfield	---	Tompkins	1926
Pleasant Valley	---	Dutchess	1926
Sound Avenue**	---	---	1927
Belleville**	---	Jefferson	1930
Northville**	---	Suffolk	1930
Jamaica Square**	---	---	1931
Henderson**	---	Jefferson	1933
Old Forge**	---	Herkimer	1936
North Bangor	---	Franklin	1939
Forestport**	---	Oneida	1940
Village of the Landing**	---	Suffolk	1940
Downsville	Colchester	Delaware	1950
Amchir	Wawayanda	Orange	1968
Prattsburg	Prattsburg	Steuben	1972
Fort Covington	Fort Covington	Franklin	1975
Pelham	Pelham	Westchester	1975
North Pelham	Pelham	Westchester	1975
Friendship	Friendship	Allegany	1977
Rosendale	Rosendale	Ulster	1977
Savannah	Savannah	Wayne	1979
Elizabethtown	Elizabethtown	Essex	1980
Bloomingdale	St. Armand	Essex	1985
Pine Hill	Shandaken	Ulster	1986
Woodhull	Woodhull	Steuben	1986
East Bloomfield	East Bloomfield	Ontario	1990
Holcomb	East Bloomfield	Ontario	1990
Pine Valley	Southampton	Suffolk	1991
Westport	Westport	Essex	1992
Ticonderoga	Ticonderoga	Essex	1993
Fillmore	Hume	Allegany	1994
Schenevus	Maryland	Otsego	1994
Mooers	Mooers	Clinton	1995
Andes	Andes	Delaware	2003

**Dissolution date based on last financial record in the *Special Report on Municipal Affairs.*

Miscellaneous Village Actions Since 1920

Village	Town	County	Action	Previous Name	Date
Long Beach	Hempstead	Nassau	Village-to-City		1922
Watkins Glen	Dix	Schuyler	Name Change	Watkins	1926
Victory	Saratoga	Saratoga	Name Change	Victory Mills	1926
Laurel Hollow	Oyster Bay	Nassau	Name Change	Laurelton	1935
Peekskill	Cortlandt	Westchester	Village-to-City		1940
Rye	Rye	Westchester	Village-to-City		1942
Pelham	Pelham	Westchester	Consolidation	Pelham /North Pelham	1975
Barneveld	Trenton	Oneida	Name Change	Trenton	1975
Cornwall-on-Hudson	Cornwall	Orange	Name Change	Cornwall	1978
Bloomfield	East Bloomfield	Ontario	Consolidation	Holcomb /East Bloomfield	1990
Sleepy Hollow	Mount Pleasant	Westchester	Name Change	North Tarrytown	1996

New York State
Office of the State Comptroller
Division of Local Government Services
and Economic Development

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